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SUBJECT: THE AMBASSADOR IN THE CENTRAL MEKONG: FOCUS ON ETHNIC KHMER,  
ECONOMIC DEVELOPMENT, TIP ISSUES

REF: PHNOM PENH 342

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11. (SBU) Summary: Discussions on economic development, trafficking in persons, religious freedom and NGO activities headlined the agenda during the Ambassador's March 4-7 visit to the Mekong Delta provinces of Soc Trang, Vinh Long and Dong Thap. Vinh Long's more favorable geographic locale and more progressive leadership appears to be the driving force behind the province's success in creating a favorable environment for businesses and NGOs alike. Meanwhile, in Dong Thap, poorer transport links to Ho Chi Minh City and local officials' apparent skepticism of foreign organizations and the private sector have translated into a comparatively lower per capita GDP and tight control over NGOs. In Soc Trang, government officials and a prominent ethnic Khmer Buddhist monk separately denied that there was a crackdown against ethnic Khmer monks and pagodas in Soc Trang, as reported reftel. However, despite the province's economic growth -- which appears to benefit ethnic Vietnamese and ethnic Khmer alike -- there appears to be at least some underlying suspicions that cloud relations between ethnic Khmers and the local government. End Summary.

ECONOMIC DEVELOPMENT TOP PROVINCIAL PRIORITY  
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12. (SBU) During a visit to the Mekong Delta provinces of Soc Trang, Dong Thap and Vinh Long March 4-7, Party and government leaders emphasized to the Ambassador that economic development, particularly attracting foreign and domestic investment, is their top priority. The provincial leaders said that private capital is needed to fuel mid-teen double-digit growth targets over the next five years. Senior officials in each province expressed similar plans to shift their economies away from agriculture toward industry, commerce and services by focusing on infrastructural improvements and administrative and licensing reforms. Soc Trang provincial leaders told the Ambassador that they hope that the GVN will complete four new highways and a deep-sea container port in the province by 2008. Soc Trang People's Committee Chairman Huynh Thanh Hiep added that the province recently sponsored business-promotion conferences in HCMC and Can Tho to attract investors to its three industrial parks. The province also announced a reduction in land usage fees and implementation of administrative reforms. Both Soc Trang Chairman Huynh Thanh Hiep and Dong Thap Party Secretary Huynh Minh Doan noted that the provinces in the Mekong require strong budgetary support from Hanoi. But Doan acknowledged that the central government often only provides "encouragement."

¶3. (SBU) The Ambassador noted that more than improved infrastructure is needed to develop the provinces. Provincial leaders need to do more to combat corruption, improve education and training, increase the speed and transparency of land allocation and eliminate the bias in favor of State-owned enterprises at the expense of the private sector. The Ambassador suggested that the provinces in the Mekong should work together more effectively to represent common interests at the central level. For example, the region's National Assembly delegates could be a powerful asset in Hanoi. The Ambassador praised the political leadership in Vinh Long for its proactive efforts to improve the business climate there. The Ambassador noted that the province ranked fourth in the 2006 national Provincial Competitiveness Index. Although still very modest, Vinh Long's 40 million dollars in FDI is ten times that of Soc Trang and Dong Thap.

¶4. (SBU) In all of his meetings, the Ambassador also stressed the importance of continued progress on religious freedom. The officials in all three provinces said that religion is an integral part of Vietnamese culture and history and that they were committed to the full implementation of Vietnam's legal framework on religion. The Ambassador emphasized that provincial leaders need to ensure that the process of implementing the legal framework is consistent, positive and transparent to avoid misunderstandings. With regard to Protestantism, official guidelines should be published to ensure that house churches are registered properly with the government. The Ambassador also emphasized the U.S. commitment to work with the GVN and provincial authorities to combat Avian Influenza and HIV/AIDS. He encouraged the provincial leaders to be leaders in stamping out prejudice against people living with HIV/AIDS.

NGOS NEED A FAVORABLE ENVIRONMENT, JUST LIKE BUSINESS

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¶5. (SBU) The Ambassador visited four NGO projects focusing on maternal health, anti-trafficking, avian influenza, flood prevention and educational exchange. In Vinh Long, Catholic Relief Services (CRS) appeared to have a productive and strong relationship with local and provincial authorities. CRS officials took the Ambassador on a tour of two projects they were sponsoring in the province: a restored flood levee and an innovative Internet-based exchange program between the province's premier high school and high school students in San Francisco. In contrast, the operating environment in Dong Thap for NGOs is more challenging. The Ambassador's two meetings with CARE and ADAPT (the An Giang Dong Thap Alliance to Prevent Trafficking) faced near cancellations, bureaucratic delays and tight control by the local chapter of the Union of Friendship Organizations (UFO), the agency tasked with liaising with NGOs. CARE was told the night before the meeting with the Ambassador that its representatives would not be permitted to travel to the district where the project was located. Only after the Ambassador raised the issue with provincial leadership were visits to the two CARE Avian Influenza projects able to go ahead as planned. Similarly, the province also initially wanted to block the Ambassador's scheduled visits to the home of scholarship beneficiaries sponsored through the ADAPT program. Again, a clear message from the Ambassador was enough to remove the bureaucratic barrier, although Dong Thap People's Committee Chairman Truong Ngoc Han warned that investors and NGOs alike need to be vetted by the government in order to ensure they were engaging in legitimate activities and not "undermining social stability and order."

TRAFFICKING IN PERSONS

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¶16. (SBU) The Ambassador, accompanied by ADAPT representatives, visited a middle school located in a poor Cambodian border district, where 64 at-risk girls receive education scholarships. The ADAPT program is co-funded by USAID. The families of the children are too poor to pay for school; without the scholarships, the girls involved would be forced to quit school and work to support their families. With limited education and marginally employed, these women would be prime targets for traffickers. The Ambassador also visited the home of a former scholarship beneficiary, a 12-year old girl named Tham Nguyen. Despite receiving assistance from ADAPT, Tham's family recently forced her to quit school to care for her disabled grandfather and young cousin. Speaking to Tham's aunt, her sole guardian, the Ambassador encouraged Tham's return to school. The aunt, who is in her 20s and herself a high school dropout, lied and told the Ambassador that her niece was already 15 and did not need additional schooling.

¶17. (SBU) The ADAPT program manager told the Ambassador that Tham's case was just one example of the many challenges her organization faces working with Dong Thap provincial officials. Despite repeated requests for the Women's Union to compel Tham's family to send her back to school, no official action has been taken. (Note: A provincial Education Department official accompanied the Ambassador on his visit to Tham's family, and also pushed the aunt to allow Tham to go to school. End Note.) She also complained that the provincial Women's Union is "stonewalling" their push to launch reintegration and vocational training for TIP victims, even though ADAPT had received permission from the provincial People's Committee to launch the initiative. However, the Vice Chairwoman of the Provincial Women's Union later told the Ambassador that the People's Committee does not believe that ADAPT's consortium partner, Pacific Links Foundation, is qualified. We are seeking clarification from the province.

#### ETHNIC KHMER ISSUES

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¶18. (SBU) In Soc Trang, the Ambassador met in private with a prominent leader of the ethnic Khmer Buddhist community, the Venerable Duong Nhon, at his pagoda. The monk repeated what the Ambassador had heard earlier from People's Committee Chairman Hiep, namely that there is no GVN crackdown against ethnic Khmer monks, despite allegation by overseas Khmer groups (reftel). The monk said that reports that police had blocked access to four pagodas or had defrocked or detained ethnic Khmer monks were incorrect. He explained that two of his young monks were stopped in a routine traffic stop by transit police enforcing helmet and passenger restrictions. The monk and

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provincial officials blamed alarmist reports for causing monks in the area to subsequently protest the alleged arrest of their fellow monks. The ethnic Khmer leader emphasized that the misunderstanding has been cleared up with no aftershocks.

¶19. (SBU) The monk said that -- in the past -- there were tensions between ethnic Khmer Buddhists and the Protestant community in Soc Trang. The Buddhists were angered by Protestant missionary work among Buddhists, as well as the rejection of ancestor worship. These activities caused a "split" in the ethnic Khmer community, the monk said.

¶10. (SBU) Speaking more broadly on socio-economic conditions for the ethnic Khmer community, the Venerable Nhan emphasized that the ethnic Khmer community in Soc Trang receives assistance from the government through various programs to assist the poor. He asserted that there are no land disputes between the government and

ethnic Khmer in Soc Trang. The government also facilitates the operation of Khmer pagodas and allows the Khmer community to organize business clubs that promote entrepreneurship. These business clubs are open to overseas ethnic Khmer, who have personal ties to the various local communities in the province. From his office in the pagoda, the monk also showed the Ambassador a vocational training school that is being built in cooperation between the Khmer pagoda and local government. The pagoda has donated land for the project, while the government funds the construction. Once it is completed, the government also will cover the operating costs of the school. The school will be open to ethnic Khmer and ethnic Vietnamese in the community.

¶11. (SBU) Venerable Nhan was subtly critical about what he viewed as an insufficient level of ethnic Khmer representation in political system. For example, he noted that there need to be more ethnic Khmer representatives in the National Assembly, as well as in the local government. He was also critical of GVN efforts to combat trafficking in persons. He stated that there are "many cases" of people trafficked to Cambodia who returned to Vietnam with HIV, suggesting that more government assistance is needed to facilitate care and reintegration of victims.

COMMENT

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¶12. (SBU) We did not see any unusual police activity in the vicinity of the Khmer pagoda or in surrounding villages. Indeed, the pagoda and its associated villages appeared reasonably prosperous, suggesting that the Mekong's relatively recent economic takeoff -- largely driven by aquaculture -- is also benefiting the ethnic Khmer. However, despite the assurances of our Buddhist interlocutor that things are going well between the ethnic Khmer and the government, the visit suggested some underlying tensions or suspicions still exist between the ethnic Khmer community and the local government.

¶13. (SBU) All Mekong Delta provinces face the same development challenges: a low value-added agricultural sector, limited infrastructure and a relatively low level of education. Of the three provinces visited by the Ambassador, Vinh Long was the most progressive, not only in its approach to business but also in its attitudes toward foreign NGOS. Not surprisingly, it has the highest per capita income and has attracted the highest level of foreign investment of the three provinces. Of course, it also benefits from its smaller population and its relative proximity to Ho Chi Minh City and Can Tho, the largest city in the Delta. Conversely, Dong Thap, whose leaders told the Ambassador that private business is only acceptable if it also does not undermine "social stability," has one of the lowest per capita GDPs in the Mekong. End Comment.

¶14. (SBU) Bio Note: In addition to his role as a leading Khmer Buddhist cleric, Venerable Duong Nhon, 77, is a member of the National Assembly (a role he intends to give up this year) and a Vice-President of the National Board of the GVN-recognized Vietnam Buddhist Sangha (VBS). He also chairs the provincial chapter of the VBS. In addition, he runs the Pali Supplemental High School, the most important Buddhist training academy for ethnic Khmer in the Mekong Delta.

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